



Kentucky Council on Postsecondary Education

Andy Beshear
Governor

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President

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The Honorable Andy Beshear, Governor, Commonwealth of Kentucky
The Honorable Robert Stivers, President, Kentucky State Senate
The Honorable David Osborne, Speaker, Kentucky House of Representatives
The Honorable Stephen West, Co-Chair, Interim Joint Committee on Education
The Honorable James Tipton, Co-Chair, Interim Joint Committee on Education

Kentucky Leaders,

Senate Bill 191, adopted during the 2024 Regular Session, removed underrepresented minority (URM) bachelor's degree and credential metrics from university and KCTCS funding models, respectively. The bill directed the Council on Postsecondary Education (CPE) to use low-income student and first-generation college student degree and credential metrics to replace URM metrics for the fiscal year 2024-25 distribution and called for the Postsecondary Education Working Group (PEWG) to convene during the 2024 Interim for the sole purpose of considering how to define "underrepresented students" in the funding models. Finally, SB 191 charged CPE to report the working group's recommendations to the Governor and Legislative Research Commission by December 1, 2024.

Under directives of SB 191, the working group, comprised of the Council president, each public university president, the KCTCS president, and state policymakers, met three times between September 4, 2024, and October 28, 2024. At the first meeting, CPE staff provided context regarding changes brought about by SB 191 and clarified that the only task of the 2024 working group would be to define "underrepresented students" in both university and KCTCS funding models. The group reviewed and discussed four possible replacements for the URM metric in the university model, including:

- Low-income student bachelor's degrees
- First-generation college student bachelor's degrees
- Underprepared student bachelor's degrees
- Bachelor's degrees awarded to students from high-need high schools

Several group members expressed interest in considering additional metrics and reviewing additional scenarios. No decisions were made, and no votes were taken at this meeting.

At the second meeting, group members continued to discuss metrics introduced at the first meeting and reviewed several scenarios that incorporated some combination of those metrics at various levels of allocation percentage and sector weighting. The group also considered a low-income student enrollment metric proposed by Morehead State University, which would provide an incentive for institutions to enroll very low-income students. Workgroup members expressed interest in continuing the discussions, so no votes were taken.

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The third meeting of the working group was held on October 28. At that meeting, KCTCS officials presented the following recommendations for the two-year college model:

- Define “underrepresented students” as first-generation college student credentials
- Revise Kentucky Administrative Regulations to assign 4.0% of allocable resources within the model to each of the following metrics: (1) low-income student credentials; (2) underprepared student credentials; (3) nontraditional student credentials; and (4) underrepresented student credentials (i.e., now first-generation student credentials)

The working group voted unanimously to endorse and recommend these changes to the KCTCS performance funding model.

At that same meeting, CPE staff shared a proposal for the university model that was developed in consultation with state policymakers and was intended to lend a statewide perspective to group discussions and represent a fair outcome for all stakeholders. Several group members were supportive of the proposal; however, one member proposed that the university model continue to use the same low-income student and first-generation college student bachelor’s degree metrics that were used in the 2024-25 distribution. After much discussion, votes were taken on each of the proposals and the key elements they contained. Ultimately, a majority of work group members voted to recommend the following changes to the public university funding model:

- Define the “underrepresented students” metric as first-generation college student bachelor’s degrees (and assign 3.0% of allocable resources to this metric)
- Calculate and apply a sector weighting to the data at the midpoint between no weighting and full weighting (i.e., apply half (0.5) weighting)

As a reminder, sector weighting is calculated and applied for each metric in the university model to account for cost and mission differences between research and comprehensive institutions. These weightings were agreed to by all members of the original 2016 working group and reflect the fact that no research related metrics, nor masters’ or doctoral degrees conferred metrics, were included in the model. The metrics were calibrated to achieve funding parity between sectors in the model’s first full year of implementation, so no funding would shift between sectors, unless warranted by future changes in outcomes produced.

These recommendations can be operationalized through changes in administrative regulation, instead of requiring passage of a bill or changes in statute (KRS 164.092). The working group believes that the recommended adjustments will support the continuing pursuit and attainment of state goals for postsecondary education.

I want to thank our campus presidents for their thoughtful advocacy on behalf of their respective institutions and for their willingness to accept compromise. I also want to thank Senator David Givens, Representative James Tipton, and Executive Cabinet Secretary John Hicks for their thoughtful comments, patience, and support as the 2024 Postsecondary Education Working Group completed its charge as outlined in SB 191.

I believe the proposed changes will allow our postsecondary institutions to continue making progress toward the state’s 60x30 postsecondary attainment goal.

Thank you,



Aaron Thompson
President, Council on Postsecondary Education

C: University Presidents
KCTCS President
Senator David Givens, PEWG member
Representative James Tipton, PEWG member
Secretary John Hicks, PEWG member
Senator Christian McDaniel, Chair, Senate Appropriations and Revenue Committee
Representative Jason Petrie, Chair, House Appropriations and Revenue Committee
Madison Silvert, CPE Chair
Carla Wright, OSBD staff
Jay Hartz, LRC Director